[4310-MR-W]

DEPARTMENT OF THE INTERIOR

Minerals Management Service

Agency Information Collection Activities: Submitted for Office of Management and

Budget (OMB) Review; Comment Request

AGENCY: Minerals Management Service (MMS), Interior.

ACTION: Notice of an extension of a currently approved information collection (OMB Control Number 1010-0162).

SUMMARY: To comply with the Paperwork Reduction Act of 1995 (PRA), we are notifying the public that we have submitted to OMB an information collection request (ICR) to renew approval of the paperwork requirements in the regulations under the Chief Financial Officers Act of 1990 (CFO). This ICR is titled "Accounts Receivable Confirmations." This notice also provides the public a second opportunity to comment on the paperwork burden of these regulatory requirements.

DATES: Submit written comments on or before (INSERT DATE 30 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER).

ADDRESSES: Submit written comments by either FAX (202) 395-6566 or e-mail (OIRA_Docket@omb.eop.gov) directly to the Office of Information and Regulatory Affairs, OMB, Attention: Desk Officer for the Department of the Interior (OMB Control Number 1010-0162). Please also send a copy of your comments to MMS via e-mail at mrm.comments@mms.gov. If you do not receive a confirmation that we have received your e-mail, contact Ms. Gebhardt at (303) 231-3211. You may instead submit a copy of

your comments by mail to Sharron L. Gebhardt, Lead Regulatory Specialist, Minerals Management Service, Minerals Revenue Management, P.O. Box 25165, MS 302B2, Denver, Colorado 80225. If you use an overnight courier service or wish to hand-carry your comments, our courier address is Building 85, Room A-614, Denver Federal Center, West 6th Ave. and Kipling Blvd., Denver, Colorado 80225. Include the title of the information collection and the OMB control number in the "Attention" line of your comment. Also include your name and return address.

FOR FURTHER INFORMATION CONTACT: Sharron L. Gebhardt, telephone (303) 231-3211, FAX (303) 231-3781, e-mail *Sharron.Gebhardt@mms.gov*. You may also contact Sharron Gebhardt to obtain, at no cost, a copy of the ICR that was sent to OMB.

SUPPLEMENTARY INFORMATION:

Title: Accounts Receivable Confirmations.

OMB Control Number: 1010-0162.

Bureau Form Number: None.

Abstract: The Secretary of the U.S. Department of the Interior is responsible for collecting royalties from lessees who produce minerals from leased Federal and Indian lands. The Secretary is required by various laws to manage mineral resources production on Federal and Indian lands, collect the royalties due, and distribute the funds in accordance with those laws. The MMS performs the royalty management functions and assists the Secretary in carrying out the Department's trust responsibility for Indian lands.

When a company or an individual enters into a lease to explore, develop, produce, and dispose of minerals from Federal or Indian lands, that company or individual agrees

2

to pay the lessor a share (royalty) of the value received from production from the leased lands. The lease creates a business relationship between the lessor and the lessee. The lessee is required to report various kinds of information to the lessor relative to the disposition of the leased minerals. Such information is similar to data reported to private and public mineral interest owners and is generally available within the records of the lessee or others involved in developing, transporting, processing, purchasing, or selling of such minerals. The information collected includes data necessary to ensure that the royalties are accurately reported and appropriately paid.

The Federal Oil and Gas Royalty Management Act of 1982 (FOGRMA), 30 U.S.C. 1701 *et seq.*, states in Section 101(a) that the Secretary "... shall establish a comprehensive inspection, collection, and fiscal and production accounting and auditing system to provide the capability to accurately determine oil and gas royalties, interest, fines, penalties, fees, deposits, and other payments owed, and collect and account for such amounts in a timely manner." The persons or entities described at 30 U.S.C. 1713 are required to make reports and provide reasonable information as defined by the Secretary.

Every year, under CFO, the Department's Office of Inspector General, or its agent (agent), audits all Department bureaus' financial statements. The Department's goal is for every bureau to receive an unqualified opinion. Accounts receivable confirmations are a common practice in the audit business. Due to continuously increasing scrutiny on financial audits, third-party confirmation on the validity of MMS financial records is necessary. Companies submit financial information on Form MMS-2014, Report of Sales and Royalty Remittance (OMB Control Number 1010-0140, expires October 31,

2006) and on Form MMS-4430, Solid Minerals Production and Royalty Report (OMB Control Number 1010-0120, expires October 31, 2007).

As part of CFO audits, the agent requests, by a specified date, third-party confirmation responses confirming that MMS accounts receivable records agree with royalty payor records, for the following items: customer identification; royalty/invoice number; payor-assigned document number; date received; original amount reported; and remaining balance due MMS as of a specified date. In order to meet this requirement, MMS must mail letters on MMS letterhead, signed by the Deputy Associate Director for Minerals Revenue Management, to royalty payors selected by the agent at random, asking them to confirm back to the agent the accuracy and/or validity of selected royalty receivable items and amounts. Verifying the amounts reported and the balances due will require time for research and analysis by payors. The MMS will send confirmation request letters to all payors selected by the agent. The payors will be asked to submit confirmation response information directly to the agent.

Applicable Citations

Applicable citations include:

- 1. CFO (Public Law 101-576);
- 2. FOGRMA, 30 U.S.C. 1701 et seq.;
- 3. 30 U.S.C. 189 pertaining to Public Lands;
- 4. 30 U.S.C. 359 pertaining to Acquired Lands;
- 5. 25 U.S.C. 396d pertaining to Indian Lands;
- 6. 43 U.S.C. 1334 pertaining to Outer Continental Shelf Lands; and

7. 30 U.S.C. 1713 pertaining to solid minerals and revised geothermal regulations at

30 CFR 210.354.

Relevant Minerals Revenue Management (MRM) regulations are codified at 30 CFR

subchapter A—Royalty Management:

1. Part 201, General, et seq.;

2. Part 206, Production valuation, subparts F and J;

3. Part 210, Forms and reports, subparts B (§§ 210.52 and 210.53), E, and H; and

4. Part 218, Collection of royalties, rentals, bonuses and other monies due the

Federal Government, subparts B and E.

Applicable public laws pertaining to mineral leases on Federal and Indian lands are

located on our website at http://www.mrm.mms.gov/Laws R D/PublicLawsAMR.htm.

This collection does not require proprietary, trade secret, or other confidential

information not protected by agency procedures, and no items of a sensitive nature are

collected. The requirement to respond is voluntary.

OMB Approval

This collection was originally approved under an emergency submission to OMB.

The MMS is now requesting OMB's approval to continue to collect this information. Not

collecting this information would limit the Secretary's ability to discharge her duties and

may also result in loss of royalty payments. Failure to collect this information could be

construed as a scope limitation for CFO audits. Also, proprietary information submitted

is protected, and there are no questions of a sensitive nature included in this information

collection.

Frequency: Annually.

5

Estimated Number and Description of Respondents: 125 Federal and Indian oil and gas and solid mineral royalty payors.

Estimated Annual Reporting and Recordkeeping "Hour" Burden: 32 hours. We estimate that each response will take 15 minutes.

Estimated Annual Reporting and Recordkeeping "Non-hour Cost" Burden: We have identified no "non-hour cost" burden associated with the collection of information.

Public Disclosure Statement: The PRA (44 U.S.C. 3501 *et seq.*) provides that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Comments: Section 3506(c)(2)(A) of the PRA requires each agency "* * * to provide notice * * * and otherwise consult with members of the public and affected agencies concerning each proposed collection of information * * *." Agencies must specifically solicit comments to: (a) evaluate whether the proposed collection of information is necessary for the agency to perform its duties, including whether the information is useful; (b) evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information; (c) enhance the quality, usefulness, and clarity of the information to be collected; and (d) minimize the burden on the respondents, including the use of automated collection techniques or other forms of information technology.

To comply with the public consultation process, we published a notice in the *Federal Register* on November 21, 2005 (70 FR 70095), announcing that we would submit this ICR to OMB for approval. The notice provided the required 60-day comment period. We received no comments in response to the notice.

If you wish to comment in response to this notice, you may send your comments to

the offices listed under the ADDRESSES section of this notice. The OMB has up to 60 days to approve or disapprove the information collection but may respond after 30 days. Therefore, to ensure maximum consideration, OMB should receive public comments by [INSERT DATE 30 DAYS AFTER THE DATE OF PUBLICATION IN THE FEDERAL REGISTER].

Public Comment Policy: We will post all comments in response to this notice on our website at http://www.mrm.mms.gov/Laws_R_D/InfoColl/InfoColCom.htm. We will also make copies of the comments available for public review, including names and addresses of respondents, during regular business hours at our offices in Lakewood, Colorado. Upon request, we will withhold an individual respondent's home address from the public record, as allowable by law. There also may be circumstances in which we would withhold a respondent's identity, as allowable by law. If you request that we withhold your name and/or address, state your request prominently at the beginning of your comment. However, we will not consider anonymous comments. We will make all submissions from organizations or businesses, and from individuals identifying themselves as representatives or officials of organizations or businesses, available for public inspection in their entirety.

Ι	MMS Information	Collection Clearance	Officer:	Arlene Bajusz (202) 208	5-7744.
Date		Lucy Querque			
		Associate Dir		.	
		Minerals Revenue Management			